GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4142
ANSWERED ON:18.08.2000
NON-BANKING FINANCIAL INSTITUTIONS
THAAWAR CHAND GEHLOT

Will the Minister of FINANCE be pleased to state:

(a) the number of non-banking financial institutions in the country whose registration has been cancelled and the number of non-banking financial institutions which have been registered during the last three years;

(b) whether the Government are aware that many non-banking financial institutions have usurped the deposited money of the people and have now closed their institutions; and

(c) if so, the details thereof and the action taken by the Government against such institutions?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI BALASAHEB VIKHE PATIL)

(a) Following the amendment of the Reserve Bank of India Act, 1934 in 1997, 9, 130 Non-Banking Financial Companies (NBFCs) have been registered with Reserve Bank of India (RBI) till June 30, 2000.The number of NBFCs, the registration of which has been cancelled by the RBI is five.

(b)&(c) : Securities & Exchange Board of India (SEBI) has made available to RBI a list of 80 vanished companies in August, 1999 out of which 27, prima facie, appeared to be NBFCs.Out of the 27 NBFCs, 3 were found to have shifted their office, after intimation to RBI, to different locations and accordingly their registration has been approved.The applications of 11 companies have already been rejected and the names of the remaining 13 companies, which were suspected to be engaged in non-banking financial business without obtaining/applying for registration, have been published in newspapers and have been referred to the Police in the respective States for appropriate action. As per the further information available, 18 more NBFCs were also included in the list of vanishing companies. Out of these 18 NBFCs, there were no complaints against 8 NBFCs and the RBI is reported to have rejected the Certificates of Registration (COR) of 7 NBFCs. Two NBFCs did not apply for COR and one NBFC is no more an NBFC.